Excise duty on toilet soaps

3330. SHRI GOPALSINH G. SOLANKI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the toilet soap industry is allowed liberal Money Credit towards excise duty for using minor oils in the manufacture of toilet soaps;

(b) if so, whether Government's machinery is reliable enough to check whether minor oils are actually used in the manufacture of toilet soaps at all.

(c) whether Government are aware that the benefit of the Money Credit Scheme for using minor oils in the manufacture of toilet soaps is enjoyed exclusively by the multinational companies who alone have the capacity for refining minor oil;

(d) how many KVIC or small scale units which are engaged in the manufacture of toilet soaps, enjoy benefit from the Money Credit Scheme;

(e) whether Government are aware that this scheme has served to subsidise only the production of premium toilet soaps by multinational companies even without using minor oil for producing toilet soaps; and

(f) whether Government will consider discontinuance of this Scheme which has given scope to multinational companies to avail of unreserved subsidy in view of the liberalised import?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Notification No. 46/89-CE (NT) dated 11-10-89, as amended provides for credit of specified amount of duty on minor oils if the same have been used for the manufacture of soap. The field units are under instructions to carry out, in respect of the use of minor oils in the manufacture of toilet soaps, regular PBC checks, to check statutory records required to be maintained as various stages of production, to verify monthly returns required to be submitted to the Department and also to undertake periodical surprise checks and special audit, etc.

(c) to (e) They Money Credit Scheme is applicable to all toilet soaps manufacturers whether they conduct the process of hydrogination/hydrolysis inside their factory or whether they got it done from outside on job work basis. As regards the KVIC units, they become eligible for availing the benefit of Money Credit Scheme after paying duty on soap manufactured by them.

(f) The money Credit Scheme is intended to encourage maximum extraction of minor oils, specifically of edible grade, and to induce their use in the manufacture of toilet soaps as well as the vegetable oils. As the Scheme enables small scale units also to avail of the benefits, there is, at present, no intention to withdraw the same.

Customs duty on import of tyres

3331. Will the Minister of FINANCE be pleased to state:

(a) whether Government have been requested to allow imports of tyres at a customs duty of 25 per cent;

(b) if so, the details thereof with source of such requests;

(c) whether after reduction in customs duty of imported types, the same will compete with domestic type manufacturers;

(d) whether Government propose to consider these requests;

(e) if so, details there of and if not, the reasons therefor;

(f) whether Government have allowed duty-free import of 10,000 tonnes of rubber to meet the demands of a dozen tyre manufacturers of the country;

(g) if so, the details thereof;

(h) whether Government propose to take some steps to ensure passing of duty relief to the consumers by these manufacturers; and

(i) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY : (a) and (b) No specific request for allowing import of tyres generally at the general effective rate of 25 per cent has been received in the Ministry of Finance, Department of Revenue. However, request for concessional duty on import of truck/bus tyres have been received from the All India Motor Transport Congress and the Delhi Transporters Association.

(c) Does not arise in view of the fact that the general effective rate of duty on types has not been decreased to 25 per cent.

(d) and (e) In the 1995-96 Budget, the Government has reduced the general effective rate of basic customs duty on most varieties of tyres, including truck and bus tyres, from 55 per cent to 50 per cent ad valoram which is now the general peak rate of customs duty.

(f) and (g) Having regard to the position of demand and supply, the indigenous and international prices of natural rubber, the Government has allowed duty free import of 20,000 tonnes of natural rubber to industrial actual users.

(h) and (i) The prices of commodities are determined by market forces and governed by several factors, customs duty being one of them. There is no provision in the Customs and Central Excise Laws to ensure that benefits, if any, of duty exemption are passed on to the consumers.

Fake share racket

3332. SHRI G. Y. KRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) whether an ingenous racket of large-scale trading of stolen and forged shares of various companies had been unearthed by the Delhi Police earlier this month;

(b) if so, the modus operandi of this fake shares racket; and

(c) what preventive measures have been taken by his Ministry/Securities and Exchange Board of India (SEBI) in this behalf, particularly the attestation of Transfer Deeds and review of the existing share transfer procedure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY : (a) The Crime Branch of the Delhi Police had unearthed a racket in trading in stolen and forged certificates of shares/debentures of companies in February, 1995.

(b) The modus operandi of the racket largely consisted of buying securities of companies from some Postmen by certain sub-brokers and subsequently trading in such securities.

(c) Government and other concerned agencies are keeping a continual vigilance to contain this practice.

Violations of RBI norms by Star T.V.

3333. SHRI G. Y. KRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item captioned, "STAR TV operation violate RBI norms" appearing in 'The Economic Times' New Delhi dated 8th March, 1995;

(b) if so, the facts of the matter reported therein, as gathered by his Ministry from the Reserve Bank of India;